



Matthew K. Rose
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July 17, 2006

The Honorable W. Douglas Buttrey
Chairman
Surface Transportation Board
1925 K Street, N.W. - Suite 810
Washington, DC 20423-0001

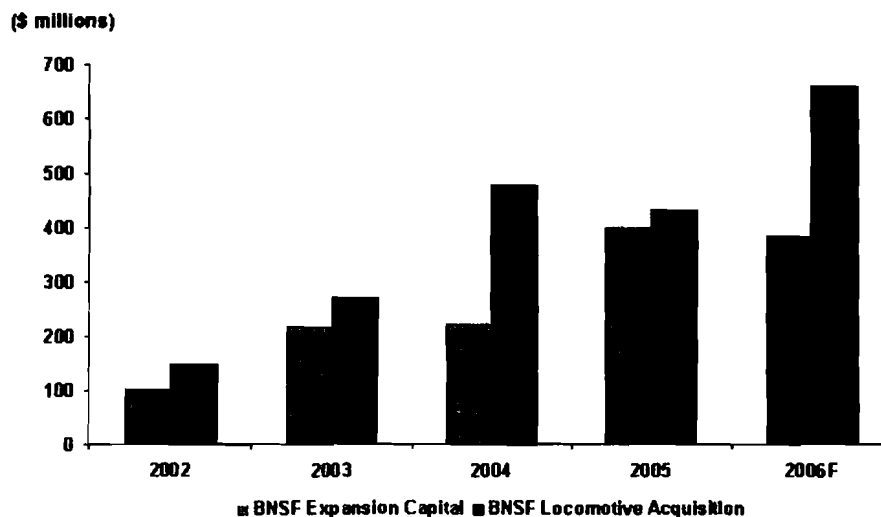
Dear Chairman Buttrey:

As I have told our customers in a number of forums over the last few months, we do not foresee any systemic congestion issues on BNSF Railway Company (BNSF) for the remainder of this year, including peak season.

To meet our customers' capacity and service requirements, BNSF has increased its capital commitments every year since 2002. This has been possible because of improving returns. Between 2002 and 2006, BNSF will have invested almost \$10 billion to maintain the quality of our infrastructure and to provide additional capacity, not including freight car acquisitions. More than 33 percent of that total is devoted to expanding our locomotive fleet and our main lines and terminals. The following charts provide details of the growth in BNSF's capacity.

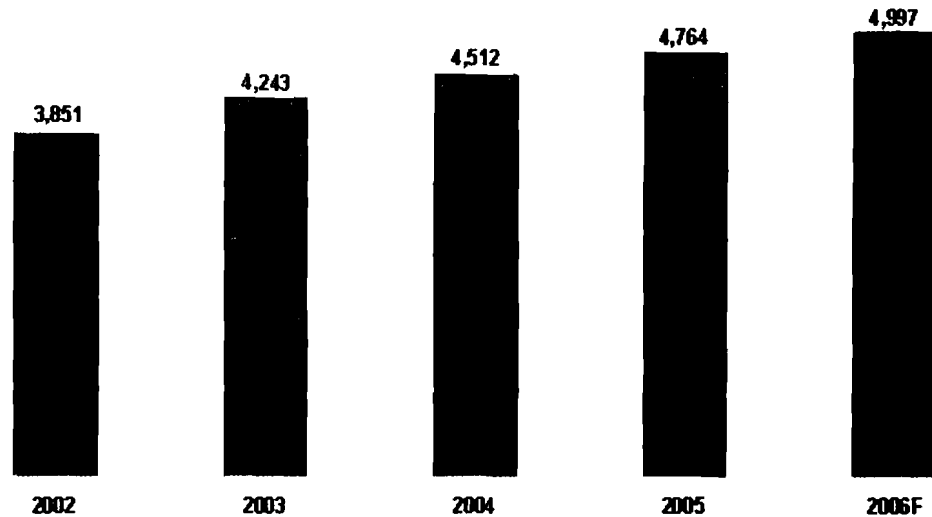
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BNSF Expanding Capacity



BNSF Road Locomotives

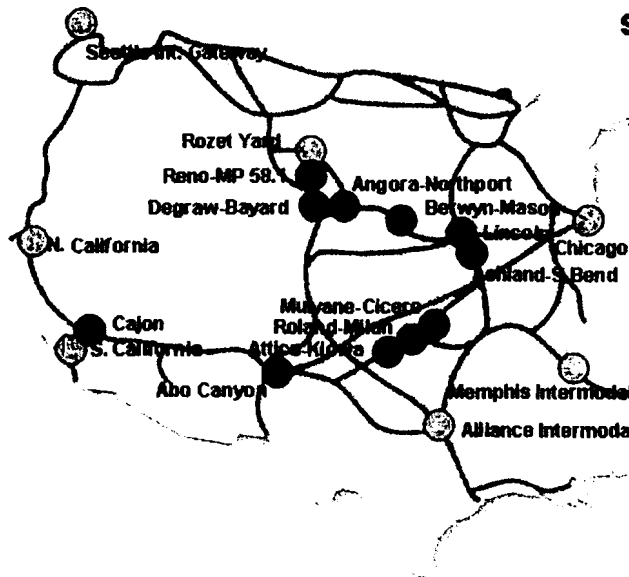
Year End



Source: BNSF Railway Company, 2006. Figures are in thousands of locomotives.

BNSF
RAILWAY

2005-2006 BNSF Expansion Projects



Significant Expansion Projects

- Adding 94 miles of double track on the Transcon
- Terminal - Thruput Capacity
- Coal – adding 24 miles of triple track

Intermodal Capacity Initiatives

- Complete Memphis Yard
- Begin two new intermodal terminals

BNSF
RAILWAY

BNSF also has maintained an aggressive hiring program during this five-year period; hiring more than 16,000 employees, including about 8,000 Transportation employees, boosting total employment by 5,000. Details are shown on the following table.

BNSF Hiring

	2002	2003	2004	2005	2006 Forecast
Salaried New Hires	111	106	150	200	250
Management Trainees	53	54	43	72	125
Mechanical	182	156	683	641	850
Engineering	283	339	404	1,146	1,078
Transportation	1,181	1,164	2,288	2,336	2,050
Dispatchers	21	16	14	54	80
Other	29	32	21	40	50
Total	1,860	1,867	3,603	4,489	4,483*

Total Hires to date as of June 2006 3,534

BNSF Railway also employs over 100 college interns on an annual basis

*2006 Forecast as of June 2006



Additionally, we have a series of initiatives focusing on improving velocity. Initiatives target improvement in locomotives and each of our business units. Our performance has improved during the second quarter, and we expect that improvement to continue. These initiatives not only leverage our investments in equipment by increasing asset turns, but also provide additional capacity to our network.

During the first quarter of this year, we handled 5 percent more units compared with the first quarter of 2005, and we handled 9 percent more units in the second quarter, year over year. We handled 200,000 or more units during 17 of the first 26 weeks of this year and set monthly unit volume records in May and again in June. These achievements substantiate that our investments and initiatives are resulting in increased throughput and improved service for our customers.

BNSF's Leadership Team continues communicating daily with our customers regarding their future needs and how we will meet them. I am confident that as long as our return on invested capital continues to improve, we will continue investing to expand our railroad's capacity. But this may not be enough to meet forecasted longer-term demand for rail transportation. That's why I continue to believe that we need a stimulus such as the proposed 25 percent investment tax credit.

Please let me know if you have any questions, as the success of our industry in serving its customers is based on ensuring that we have a common understanding about expectations.

Sincerely,

Matthew K. Rose